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~~SECRET~~ Soviet Bloc Sales of Agricultural Equipment to Greece

The Soviet Bloc is offering attractive purchasing arrangements to prospective Greek buyers in a move to capture the market for tractors and farm equipment in Northern Greece and to extend its economic influence throughout the country. As a result there has been a substantial increase in Bloc sales of farm equipment in Greece. In 1956, Greek purchases of Bloc agricultural machinery amounted to \$1.6 million, about 21 percent of total Greek imports of such equipment. In the previous year, only 8 percent of Greek imports of agricultural machinery came from the Bloc. Czechoslovakia has assumed the leading role in this Bloc sales drive and is supplying the item, ZETOR tractors, which may provide the Bloc with an effective instrument for gaining ascendancy on the Greek market. Local Greek importers of American and Western European tractors report that they have already begun to feel the competition offered by Czech machinery. 1/

The Czechs are establishing their competitive position by offering lower prices, attractive credit terms and immediate delivery. A ZETOR tractor of the 42 h.p. type sells for about \$2,500. A similar American tractor costs about \$5,000. This equipment has proved to be quite popular with Greek farmers who find payment facilities a further inducement to purchase Czech machinery. Attractive credit terms, as little as about 10 percent down with three years to pay, are offered by ZETOR through local merchants who are extended liberal credit - up to three

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years - by the factory. Importers of American equipment, on the other hand, must pay cash in full on purchase and are not in a position to extend long-term credit to their customers. Furthermore, ZETOR maintains a large stock of tractors in Salonika which permits immediate delivery. In contrast, prospective buyers of American machinery must anticipate a four or five month wait for delivery. In addition, the Czechs provide adequate service facilities at a repair station in Salonika and spare parts are readily available. 2/

There are some indications that the Bloc is trying to establish a basis for extending loans to farmers cooperatives which are a powerful force in Greek rural areas. 3/ Thus far, the Bloc has not met with any success. Should the Bloc secure a means of extending credit to large segments of the Greek farm population, however, its potential influence would be substantial, and an increasing volume of Bloc agricultural machinery would find its way into Greece.

1. State, Salonika #58, 21 Sep 57, OVO.
2. Ibid.
3. State, Athens #293, 30 Oct 57, C.

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